

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:	)	
	)	
MICHAEL K. HERRON,	)	
	)	Bank. No. 19-24527 TPA
	)	
	)	Chapter 11
Debtor.	)	
	)	
	)	
ROBLETO KURUCE, PLLC,	)	
	)	
	)	Related to
Movant,	)	Document No. 404
	)	
vs.	)	
	)	
	)	Hearing Date: Dec. 9, 2021 @ 10
	)	
MICHAEL K. HERRON,	)	
	)	
	)	
Respondent.	)	

**UNITED STATES' RESPONSE TO MOVANT'S SUPPLEMENTAL APPLICATION FOR  
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF NECESSARY  
EXPENSES**

The United States of America, on behalf of the Internal Revenue Service (the "IRS"), by and through its attorneys, CINDY K. CHUNG, United States Attorney, and Jill Locnikar, Assistant United States Attorney, files a response to the above captioned motion, as follows:

1. Michael K. Herron ("Debtor") filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") on November 21, 2019.
2. The IRS filed an amended proof of claim at claim #11 on September 14, 2020 in the amount of \$944,778.95, of which \$518,691.13 is a secured claim and \$426,087.82 is an unsecured claim.

3. The IRS filed liens against the Debtor securing the claim.
4. Respondent filed the instant Supplemental Application for Approval of Compensation for Services and Reimbursement of Necessary Expenses on November 12, 2021.
5. Respondent is seeking to be paid from escrow funds being held by them as a result of selling assets of Debtor.
6. The IRS does not dispute the expenses and fees requested by Debtor's counsel.
7. The IRS, however, does dispute using the proceeds of the sale that are held in escrow to pay the attorney fees as the IRS lien is attached to those proceeds.
8. The only fees and expenses that Debtor's counsel is entitled to from the sale proceeds being held in escrow are fees and expenses incurred in connection with legal work done directly related to the sale of assets. See 11 U.S.C. § 506(c).
9. According to Exhibit E attached to the Supplemental Application for Fees, Debtor's counsel is seeking fees and expenses related to general legal work on the bankruptcy case and has not limited the request to the "reasonable, necessary costs and expenses of preserving, or disposing of, such property to the extent of any benefit to the holder of [a secured claim]". See 11 U.S.C. § 506(c).

WHEREFORE, the United States respectfully requests that this Honorable Court deny the Supplemental Application for Fees, except for any fees related to legal work performed in connection with the sale of assets.

Respectfully submitted,

CINDY K. CHUNG  
United States Attorney

Dated: 11/23/2021

/s/ Jill Locnikar  
JILL LOCNIKAR  
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PA ID No. 85892

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**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the above-captioned Response to Supplement Application for Approval of Compensation was served on the following by first-class mail or electronic means on November 23, 2021.

**Service by Electronic Notification:**

Aurelius Robleto on behalf of Debtor  
[apr@robletolaw.com](mailto:apr@robletolaw.com)

Norma Hildenbrand on behalf of the United States Trustee  
[Norma.L.Hildenbrand@usdoj.gov](mailto:Norma.L.Hildenbrand@usdoj.gov) ☐

**Debtor:**

**Michael K. Herron**  
1276 Tacoma Street  
Hernando, FL 34442

CINDY K. CHUNG  
United States Attorney

/s/ Jill Locnikar  
JILL LOCNIKAR  
Assistant United States Attorney